

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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### Oxford welcomes USDA Chief Economist

**Report Categories:**

Agriculture in the News

Biotechnology

Food Security

Biotechnology and Other New Production

Technologies

Trade Policy Monitoring

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**Report Highlights:**

The annual Oxford Farming Conference featured a Key Note speech by USDA Chief Economist, Joe Glauber, as well as various other eminent speakers including both the Secretary of State and Minister for Food & Farming at the Department for Environment, Food & Rural Affairs. All referenced the global challenges facing the agricultural sector. The conference also saw the launch of the report "Power in Agriculture" which concludes that despite the rise of emerging economies in recent years, the balance of power in global agriculture still lies firmly with the U.S. and the European Union. A high level Defra official also called for the end of Pillar I direct subsidies, and a "liberating" of biotechnology for use by UK farmers.

**General Information:**

January 4<sup>th</sup>, 2012, USDA Chief Economist, Joe Glauber, was the Keynote Speaker at the Oxford Farming Conference. This annual event, which receives broad media coverage, attracts nearly 400 delegates from across the UK's agricultural sector and, uniquely for a UK conference, consists of an even balance of producers, agribusiness decision-makers, government officials and lobbyists. Mr. Glauber follows a long list of USDA speakers which, in recent years, have included Secretary Ann Veneman, Secretary Dan Glickman, Under Secretary J.B. Penn and Under Secretary Gus Schumacher, among others. The conference consistently includes a speech by the UK's Secretary of State for the Environment, Food & Rural Affairs as well as members of the Department's Ministerial team and significant speakers from both UK and world agriculture. In 2011, Commissioner Ciolos provided the closing speech.

Given the title, "Agriculture: A Global and U.S. Perspective", Mr. Glauber's speech focused on the theme of feeding the world's growing population. In the context of falling real term commodity prices since the 1950's but increased price volatility in recent years, Mr. Glauber highlighted that the major growth in world population in the coming years will be in Asia and Africa. With particular reference to the changing composition of Asian diets as income rises, notably the increase in meat consumption, Mr. Glauber observed that the increase in growth in global demand for grains and oilseeds over the last 30 years will continue. With land expansion and cropping intensity facing physical constraints, Mr. Glauber cited the need for significant yield increases and called for investment (both public and private) in research and development. He also called for the adoption of both existing and new technologies to achieve the required production increases, not just to meet short-term demand but also to rebuild stocks and moderate any potential price rises. Citing the correlation between market distorting policy actions in MY2007/08 and the commodity price spike of the same year, Mr. Glauber concluded by highlighting the need for domestic and trade policies that allow consumers and producers to make decisions based on market prices.

Mr. Glauber's speech was followed by a presentation from Jim Paice MP, UK Minister of State for Agriculture and Food. Mr. Paice's themes included food security not equaling self sufficiency, calling for countries to produce what they do best within a policy environment that allows the market to operate freely – for the UK and U.S, a reference to the upcoming reform of the Common Agricultural Policy and the new Farm Bill. In this context, he spoke both of exploring and expanding export markets and of producing agricultural commodities in a sustainable way - "it's not food or birds, its food and birds". Mr. Paice also supported Mr. Glauber's call for more research and development but observed that (government) budgets were currently limited. As such, he indicated the emphasis needs not just be on developing new technologies that can be applied quickly and easily in the field, but also on making better and broader use of existing technologies through best practice and innovation. He argued that government should not hinder scientific progress for political reasons and alluded to the UK Government's desire to "liberate" the use of agricultural biotechnology in areas where it could be useful by changing the "broken" regulatory system on biotechnology approvals at the EU level.

The two-day conference continued with a number of eminent speakers, papers for which can be found on the [Oxford Farming Conference](#) website. Of particular note on the second day was the presentation by Caroline Spelman MP, Secretary of State for the Environment, Food & Rural Affairs and the

publication of the document “Power in Agriculture”.

Secretary of State Spelman’s address inevitably opened with words focused towards the producers in the audience, starting with references to progress on reducing government regulation and the recent announcement of a trial culling of badgers to tackle the spread of bovine tuberculosis in cattle. However, it soon moved to the “intrinsically linked” global challenges of food security, climate change, economic growth and tackling poverty. Of specific interest was her call for global solutions, citing the G20 as one vehicle for achieving this goal, and her assertion that “the UK punches above its weight” but needs to build alliances both within the EU and beyond.

The report “Power in Agriculture” launched at the Oxford Farming Conference concludes that despite the rise of emerging economies in recent years, the balance of power in global agriculture still lies firmly with the U.S. and the EU. Specifically, while Brazil and other nations are increasingly dominating global trade when it comes to such commodities as beef and dairy, and the EU faces increasing natural resource challenges, political and corporate power within global agriculture and agribusiness remains centered in the U.S. and EU. The report goes on to suggest that a key driver in this is the role of transnational corporations. It highlights that four companies account for more than 75 per cent of the global grain trade, ten companies more than 40 per cent of global retail food sales, and seven companies virtually all of the world’s fertilizer supplies. These multinationals are predominantly based in the U.S. and EU. The full report can also be found on the [Oxford Farming Conference](#) website.

### **Other Regulations and Requirements:**